

EXHIBIT 2

Buto, Kathleen

September 12, 2007

Washington, DC

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UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MASSACHUSETTS

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IN RE: PHARMACEUTICAL) MDL NO. 1456
INDUSTRY AVERAGE WHOLESALE) CIVIL ACTION
PRICE LITIGATION) 01-CV-12257-PBS
THIS DOCUMENT RELATES TO)
U.S. ex rel. Ven-a-Care of) Judge Patti B.
the Florida Keys, Inc.) Saris
v.) Chief Magistrate
Abbott Laboratories, Inc.,) Judge Marianne B.
No. 06-CV-11337-PBS) Bowler

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(captions continue on following pages)

Videotaped deposition of Kathleen Buto

Volume I

Washington, D.C.

Wednesday, September 12, 2007

9:00 a.m.

1 A. Pete Rodler.

2 Q. Rodler.

3 A. I don't remember where he was and
4 whether he was in that office. He may have been.
5 I really don't remember. The name rings a bell,
6 but I can't remember where he was.

7 Q. Do you recall him being someone who was
8 involved with Medicare reimbursement of drugs and
9 Medicaid reimbursement of drugs?

10 A. I don't recall it. The name rings a
11 bell, but I couldn't tell you what issues he
12 worked on.

13 Q. Moving on in your resume you left HCFA
14 -- or -- I'm sorry -- you changed your position
15 at HCFA from associate administrator of policy in
16 July of 1997 and became the deputy director of
17 center for health plans and providers?

18 A. Yes.

19 Q. And tell me about that position.

20 A. Well, first, the reason I changed is we
21 eliminated the associate administrators and
22 reorganized the whole agency. So the

1 organization I just described to you kind of went
2 away. What they created in its place were a set
3 of centers. And the center for health plans and
4 providers was intended to bring managed care and
5 fee for service Medicare under the same
6 management.

7 The idea was in part in part to respond
8 to concern that the managed care organization
9 within HCFA was sort of a stepchild, so it wasn't
10 fully staffed, it didn't have the resources, it
11 didn't have the kind of focus it should have.
12 And the idea was to bring those two together.
13 And then as well to bring in from what used to be
14 the bureau of program operations, people who
15 dealt with carriers and fiscal intermediaries,
16 the people who actually wrote the instructions to
17 carriers and intermediaries.

18 So there was an operational arm to this
19 that was really about policy communication to our
20 partners, our contractors, that had always been
21 separate. So the idea was let's create a better
22 pathway and alignment between the regulations

1 that we write and what we tell the contractors to
2 do to implement those regulations. So the whole
3 organization was different.

4 For instance, office of research and
5 demonstrations went to a whole different group
6 called the office of strategic -- something --
7 planning, I think. OSP. I can't remember now.
8 But they reorganized everything.

9 Q. And that was in July of 1997?

10 A. Yes.

11 Q. And was the responsibility for
12 promulgating regulations and implementing those
13 regulations relating to Medicare reimbursement of
14 drugs, was that still within --

15 A. Yes, that organization.

16 Q. Your purview, the center for health
17 plans and providers?

18 A. Now, I should say that the directors of
19 each of these centers were political appointees.
20 So it was a little bit like the associate
21 administrator structure where the political
22 appointees were kind of the key staff to the